

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR FISCAL YEAR 2017

TUESDAY, MARCH 1, 2016

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:36 p.m., in room SD-138, Dirksen Senate Office Building, Hon. John Hoeven (chairman) presiding.
Present: Senators Hoeven, Cassidy, Shaheen, and Tester.

DEPARTMENT OF HOMELAND SECURITY

TRANSPORTATION SECURITY ADMINISTRATION

STATEMENT OF HON. PETER V. NEFFENGER, ADMINISTRATOR

OPENING STATEMENT OF SENATOR JOHN HOEVEN

Senator HOEVEN. This hearing of the Homeland Security Appropriations Subcommittee will now come to order. I would like to thank Ranking Member Shaheen for being here with us, also Senator Tester. I know we will have other members of the subcommittee joining us in progress.

I want to welcome Administrator Neffenger. We appreciate your appearance here. And we appreciate the hard work that you are doing, since you have come to the Transportation Security Administration (TSA) from your work with the Coast Guard, so I want to thank you up front.

I have an opening statement, and then I will offer the same opportunity to the ranking member, and other Senators that may have an opening statement, and then, of course, welcome your opening remarks, Administrator. Then we will go to 5-minute rounds of questions and answers.

A hearing examining TSA is arguably one of the most important hearings this subcommittee can have before the American people. As an agency that interacts with nearly 2 million passengers every day, it is undoubtedly the face of the Department of Homeland Security (DHS). As such, that interaction must be discreet, professional, and effective.

Findings of the Inspector General last summer damaged the perception that the American people are getting real security for their interaction with TSA. So I am hoping we can talk today about how that is being remedied. I know you have been working very hard on doing just that.

The officers of TSA, like many of their counterparts at the Department of Homeland Security, have sworn an oath to uphold the Constitution and protect us against all enemies foreign and domestic. The threat that we face is very real. Unlike al Qaeda of a decade ago, the threat is decentralized and rapidly evolving.

In October last year, the Islamic State claimed responsibility for the downing of Metrojet Flight 9268 traveling from Egypt to Russia, killing 224 people.

Just last month, an explosion blew a hole in the side of a commercial jet after takeoff in Mogadishu. It took one life and injured many others.

Perhaps more troubling is that terrorist groups posted how-to manuals online after these attacks with instructions for building bombs, avoiding airport security measures, and placing bombs in identified locations on a plane.

Balancing these threats, we are also confronted with the realities that our transportation security system, despite being a model for much of the world, still faces an uphill battle. TSA must engage in continual self-evaluation and avoid complacency. If it is to receive billions of dollars annually from the taxpayers for its layers of security, we need to ask hard questions and get honest answers about their effectiveness. We will do just that today, as we examine the fiscal year 2017 budget.

These layers are the people, processes, and technology at TSA. It takes all three—people, processes, and technology. They start with intelligence programs and passenger prescreening conducted in advance of travel. They proceed through the checkpoint and culminate in the airplane with hardened cockpit doors, air marshals, trained crewmembers, and armed pilots.

All of these layers taken together are intended to be adept and agile in response to the changing tactics of those who aim to hurt us. This agility is particularly important given the adversaries' continual fascination with commercial aviation. And it does seem to be the focus of these attacks, commercial aviation.

We held a hearing last fall on the Inspector General's covert test findings. I do not intend to rehash those findings now, but I do expect to hear that these findings are being addressed and that every employee at TSA is being given the tools to provide the best possible security.

Further, when there is a crack in the system, TSA employees must feel confident they can speak up and be heard. That is very important.

I believe, Administrator Neffenger, that you understand how important that is as well.

TSA screeners have a challenging job. They must stay laser-focused while performing monotonous tasks in a high-pressure, high-throughput, and high-customer demand environment. That is a challenging job.

It is incumbent upon the leadership to remove all hurdles and help them succeed on a consistent and timely basis.

I look forward to questioning the administrator on your progress, on how this budget reflects your priorities, which we need to talk about, and your views on the right metrics to measure progress. Metrics are very important, so we can track our performance and

figure out where we need to expend additional resources and what areas need more attention.

So with that, I would like to turn to Ranking Member Shaheen for her opening comments.

STATEMENT OF SENATOR JEANNE SHAHEEN

Senator SHAHEEN. Thank you, Mr. Chairman.

Welcome, Administrator Neffenger. We are pleased to have you here to testify today about TSA's budget request for fiscal year 2017. And also, I look forward to getting a progress report on improvements that have been made to passenger screening operations in the wake of last year's Inspector General report.

I also want to thank you very much for sending a memo back in December that really detailed the agency's response to the Inspector General's findings. It was very detailed and very helpful. I very much appreciate the enthusiasm and energy and commitment that you are bringing to your role as administrator.

One of the things that the TSA concluded as the result of those Inspector General findings was that the mission was disproportionately focused on screening efficiency and speed, rather than security effectiveness. I look forward to hearing the solutions you are pursuing to rebalance the agency's approach.

As the chairman has said, the traveling public needs to be assured the TSA is able to deter, detect, and disrupt aviation security threats. Gaining the public's confidence can only be achieved through results. That will take a renewed focus on work force training, on improved procedures to resolve alarms, on better detection technologies, and stronger partnerships with industry to reduce the amount of clutter and stress at airport checkpoints.

We really do need to get this right. As Chairman Hoeven alluded to the two very high-profile attacks on commercial airliners in the last year, the public is obviously paying attention to that.

I am also concerned that a significant portion of TSA's 2017 budget request relies on an increase in aviation security fees. I think these fees are not likely to be enacted, so I am concerned about what happens to the shortfall when those fees are not enacted, and what TSA plans to do in that regard.

So thank you for your focus on these issues and for being here to testify today, and I look forward to hearing from you today.

Senator HOEVEN. I would ask Senator Tester if he has an opening statement?

Senator TESTER. I will hold my opening statement for the record. Thanks, Mr. Chairman, I look forward to the administrator's remarks and the Q&A. Thank you.

[The referenced statement was not available at press time.]

Senator HOEVEN. With that, Mr. Administrator, the floor is yours for your opening comments.

SUMMARY STATEMENT OF HON. PETER V. NEFFENGER

Mr. NEFFENGER. Thank you, Chairman Hoeven. Good afternoon. Good afternoon, Ranking Member Shaheen, and distinguished members of the committee.

Thank you for your opening comments and for the opportunity to testify today on behalf of the President's fiscal year 2017 budget, which includes \$7.6 billion for TSA.

The budget provides funding to sustain and strengthen the critical mission of TSA, protecting the Nation's transportation system and ensuring the freedom of movement of people and commerce. Transportation underpins the entire economic health of this country. We depend upon it, and protecting it is one of the most important services our government provides the American people.

It is now 8 months since I joined TSA on July 4 of last year, and of the many positive impressions, the most profound is the one I have gleaned from our work force. TSA's nearly 60,000 security professionals are dedicated to a demanding and challenging mission, and they are our most important resource. They are incredibly patriotic and compassionate about our counterterrorism mission, and they will deliver excellence, if properly trained, equipped, and led.

This budget is a modest increase over last year and will enable TSA to more fully renew its focus on security effectiveness. It annualizes the investments made in our frontline work force, our screening technology, and the new TSA Academy, and sets the foundation for the transformation of TSA into the professional counterterrorism and security agency the American people deserve.

I would like to thank this committee for its commitment to our mission and for holding frontline staffing levels steady in the face of dramatic increases in passenger volume and a dynamic threat environment.

This budget also enables us to hire air marshals consistent with a risk-based concept of operations, modestly increases our intelligence capability, and invest further in the TSA Academy.

We have made great strides in addressing the challenges we faced last summer. To ensure that we do not repeat past mistakes, determining root causes of the problems identified has been my utmost concern.

Delivered in a classified report to Congress in January, we concluded that strong drivers of the problem included a disproportionate focus on efficiency, environmental influences that create stress in checkpoint operations, and gaps in system design and processes.

I am proud to report that we are refocused on our primary mission. We have retrained our entire work force, corrected procedures, improved our technology, and analyzed systemic issues. We are emphasizing the values of discipline, competence, and professionalism in resolving every alarm. And I am confident that we have corrected the immediate problems. And I am also confident that TSA is able to deter, detect, and disrupt threats to our aviation system.

TSA will continue to partner with the airlines, airport operators, and the trade and travel industry, to identify solutions that can reduce the stress on the checkpoint, and we must continue to right-size and resource TSA appropriately to ensure that we continue to be responsive to the public we serve.

Moving forward, we are guided by a principled approach that is essential to successful enterprise leadership. We are intensely fo-

cusing on the central unifying purpose of TSA, which is to deliver transportation security. We are aligning our strategic guidance, our operational plans, our measures of effectiveness, our system design, and performance evaluations to this core purpose.

The unity of effort that we expect has been memorialized in my Administrator's Intent. This is a document that I published in January, copies of which I provided to the members of this committee. Mission success is built on a shared understanding of objectives, unity of purpose, and alignment of values and principles. My intent articulates those objectives for every member of the work force, an approach that we will pursue in accomplishing our central mission and the values and principles that define TSA.

Simply stated, we will focus on mission, invest in people, and commit to excellence.

Our self-examination gave us insight into imperatives for change and how we must evolve. We must adapt faster than the enemy, invest at the pace of the threat, build resiliency into operations. And we must do so in a rapidly growing sector of the American economy.

My key objective is to continue to position TSA as a counterterrorism organization that is built on a foundation of strategy, intelligence, and risk management, and able to rapidly adapt to a strategic environment. We are undertaking a series of foundational efforts, including a comprehensive assessment of our acquisition system; building a planning, programming, budgeting, and execution system; developing enterprise-wide human capital management strategy; reviewing our staffing model to ensure operational focus and agility; and fielding an agency-wide training strategy, which includes new officer training, continuing professional education, and leadership training and development.

We are rethinking how we invest in technology and are partnering with several airlines and airports to develop and install in the near future a dramatically improved passenger screening environment.

Of utmost importance, TSA must remain committed to the values that public service demands. I have challenged our leaders at every level to commit themselves to selfless and ethical service. As I discover questionable policies or unjustifiable practices, I will fix them. I demand an agency that is values-based and infused with character from top to bottom. This is my solemn duty, and it is what the American people expect of their government and those in whom they entrust their security.

Many profound and important tasks lay ahead for TSA, but I believe we are on a sound trajectory, and I am optimistic about the future.

As I have relayed in my intent, we will focus on mission, invest in our dedicated work force, and we will commit to excellence in all that we do. I thank you again for the opportunity to appear before you today, and I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF HON. PETER V. NEFFENGER

INTRODUCTION

Good afternoon Chairman Hoeven, Ranking Member Shaheen, and distinguished members of the Committee. Thank you for the opportunity to testify today on behalf of the President's fiscal year 2017 budget, which includes \$7.6 billion for the Transportation Security Administration (TSA).

The fiscal year 2017 budget provides funding to sustain and strengthen the critical mission of TSA—protecting the Nation's transportation system and ensuring the freedom of movement of people and commerce. Transportation, as you know, underpins the entire economic health of this country. We all depend on it, and protecting it is one of the most important services our government provides the American people.

Created 2 months after 9/11, TSA, and the underlying rationale for its existence remain as compelling today as in 2001. We are challenged by a complex and dynamic threat environment, one in which the global terrorist threat has evolved from a world of terrorist-directed attacks to a world that includes the threat of terrorist-inspired attacks.

In addition to expanding threats with a number of groups with whom to contend, these groups have mastered social media to recruit members, and inspire action against vulnerable and high profile objectives. Aviation remains a prime target for terrorist groups, as demonstrated with the destruction of Metrojet Flight 9268 above the northern Sinai on October 31, 2015, and most recently on February 2, 2016, during an attack on Daallo Airlines, where explosives detonated during its ascent from Adde International Airport in Mogadishu.

A NATIONAL IMPERATIVE

The security and economic prosperity of the United States depends significantly on the effective and efficient operation of its transportation system. We know terrorists, criminals, and hostile nation-states have long viewed transportation sectors, particularly aviation, as a leading target for attack or exploitation. Thus, our mission remains a national imperative.

Our officers, inspectors, air marshals, canine handlers, and other security professionals here in the United States and around the globe are committed to our mission, and they are our most important resource. While operating in the present, we also must envision the future, seeking new ways to enhance our effectiveness across a diverse transportation enterprise, challenged by a persistent threat.

THE FISCAL YEAR 2017 PRESIDENT'S BUDGET

The fiscal year 2017 budget of \$7.6 billion will allow TSA the opportunity to more fully address the additional requirements identified last year in response to findings from covert testing of screening processes and procedures by the Department of Homeland Security's (DHS) Office of the Inspector General (OIG). Specifically:

- \$3.0 billion to support 42,848 FTE Transportation Security Officers (TSOs), an increase of \$72.1 million and 323 FTE over fiscal year 2016, to ensure effective screening operations while minimizing wait times. This funding will help to ensure that TSA maintains an appropriate staffing level at our checkpoints.
- \$200 million for transportation screening technology, enabling TSA to continue improving the capabilities of its checkpoint screening equipment throughout nearly 430 airports. This amount continues the additional \$15 million provided in fiscal year 2016, and adds another \$5 million for new capabilities to enhance the checkpoint x-ray units, thus increasing the TSOs' ability to find prohibited items in carry-on bags.
- \$116.6 million to provide training for TSA frontline employees, including new basic training initiated in January 2016 at the TSA Academy located at the Federal Law Enforcement Training Center in Glynco, Georgia. To date, 541 new hires have graduated from this program, and TSA will train another 4,835 frontline employees this year. In fiscal year 2017 TSA will complete construction of modular facilities to house this effort, expanding capacity to 7,300 TSOs annually.
- \$83.5 million for TSA's intelligence operations, an increase of \$2.0 million to continue the expansion of intelligence officers in frontline facilities to improve information sharing.
- \$10 million to replace IT infrastructure, including network components and outdated operating systems, that has not only reached its end-of-life, but more critically has become vulnerable to cybersecurity threats.

The fiscal year 2017 budget continues and builds on the investments made in fiscal year 2016. As you understand from your review of last year's budget, fiscal year 2016 was an austere budget year for the agency and on behalf of TSA I would like to thank this Committee for its commitment to the DHS transportation security mission.

ADDRESSING IMMEDIATE CHALLENGES

When I took office on July 4, 2015, the disturbing results of covert testing of passenger screening operations conducted by the OIG required immediate attention. Upon learning of these results, Secretary Johnson directed TSA to implement a series of steps constituting a 10-point plan to address the issues raised by the covert testing. These included steps to ensure leadership accountability, improve alarm resolution, increase effectiveness and deterrence, increase threat testing to sharpen officer performance, strengthen operating procedures and technology, and enhance training.

All of the actions directed in the Secretary's 10-point plan are currently underway or have been completed.

As Secretary Johnson has stated, we must continually and comprehensively evaluate and re-evaluate what is best for aviation security. To ensure that we do not repeat past failures, determining root causes of the problems has been our utmost concern. We have concluded that strong drivers of the problem included leadership's focus on efficiency, environmental influences that created stress in checkpoint operations, and gaps in system design and processes. A disproportionate focus on efficiency and speed in screening operations rather than security effectiveness powerfully influenced organizational culture and officer performance. As a result, there was significant pressure to clear passengers quickly at the risk of not resolving alarms properly. Our analysis also revealed that our screeners did not fully understand the capabilities and limitations of the equipment they were using, and several procedures were inadequate to resolve alarms. We have addressed this by continuing the mission essentials training initiated in fiscal year 2016 so that our TSOs can more effectively use their equipment as threats evolve.

Systematic solutions to these challenges require a number of steps: a renewed focus on TSA's security mission; revised procedures; investments in technology; realistic and standardized training; a new balance between effectiveness and efficiency; and support for our frontline officers. We must also continue to partner with airlines, airport operators, and the trade and travel industry to reduce the stress on checkpoints. Further, we must right-size and appropriately resource TSA and halt further reductions in officer staffing.

We have refocused TSA on its primary mission, re-trained our entire workforce, corrected certain processes and procedures, improved our technology, and analyzed systemic issues. I am confident that we have corrected the immediate problems revealed by the covert testing. I am also confident that TSA is able to deter, detect, and disrupt threats against our aviation system.

We have renewed our focus on the fundamentals of security by asking our officers and leaders to strike a new balance between security effectiveness and line efficiency while also diligently performing appropriate resolution procedures. Moreover, we have directed our managers and supervisors to support our officers in performing their difficult mission. Moving forward, we are guided by a principled approach, with specific projects already underway to ensure we achieve our mission goals.

We are in the process of ensuring our focus on security effectiveness is well-defined and applied across the entire workforce. We are aligning TSA around this renewed focus on security effectiveness. From late July to early October 2015, we provided new and enhanced training for every officer and leader in our screening workforce, more than 42,000 in total. We have followed the initial effort with a range of initiatives to convey these priorities to leaders and officers, including a statement of the Administrator's Intent, the National Training Plan, and our workforce messaging.

Refocusing on threat mitigation and improving TSO awareness and knowledge of threats will provide a new and acute mission focus. We are emphasizing the value of discipline, competence, and professionalism in resolving every alarm. From my field visits, I can report that our officers are hearing, understanding, and applying this new approach.

TSA will continue to partner with the airlines, airport operators, and the trade and travel industry to identify solutions that can reduce the stress on the checkpoint, and we must right-size and resource TSA appropriately.

ENVIRONMENT AND OBJECTIVES

Our operating environment presents broad national security challenges that require highly effective security measures now and in the future. We will certainly face new challenges as our adversaries continue to evolve their means to attack. Over the next several years, estimates indicate adversaries will likely use variants of previously seen tactics, employing improvised explosive devices or firearms, and could even resort to ground based or inflight attacks.

Our national strategy for combating terrorism sets our objective as stopping terrorist groups, hostile nation-states, and criminals before they can threaten or engage in attacks against the United States and its international partners, and TSA's aviation security mission is part of DHS's contribution to achieving this objective.

TSA RISK METHODOLOGY

The current environment requires that TSA employ an intelligence-driven, risk-based approach to secure U.S. transportation systems. Risk-based security strives to deter, detect, and disrupt attacks on the Nation's transportation systems and critical transportation infrastructure, while facilitating the movement of legitimate travel and commerce. The vast majority of people, goods and services moving through our transportation systems are legitimate and pose minimal risk. Thus, appropriately managing risk is essential in all areas of security responsibility. To do this, we must understand intelligence, as it drives our comprehension and assessment of that risk. As we make decisions on policy, operations, and countermeasures across TSA, we will apply risk-based methods to use our resources in ways that minimize risk and ensure system resiliency. We cannot do this alone; we must work closely with stakeholders in aviation, rail, transit, highway, and pipeline sectors, as well as our partners in the law enforcement and intelligence community.

To support our risk-based approach, it is critical to continue to grow the population of fully vetted travelers. At the same time, TSA will continue to apply appropriate measures to address known threats, unknown threats, and low risk or trusted populations.

SECURING THE NATIONAL AVIATION DOMAIN

To protect the aviation domain, our strategy nests with the National Strategy for Aviation Security, forming the foundation of TSA's mission. The strategy sets three national objectives:

- First, the Nation must use the full range of its assets and capabilities to prevent the aviation sector from being exploited by terrorist groups, hostile nation-states, and criminals to commit acts against the United States, and its people, infrastructure, and other interests;
- Second, the Nation must ensure the safe and efficient use of the Air Domain;
- Third, the Nation must continue to facilitate travel and commerce.

TSA is committed to advancing the following strategic initiatives:

Maintain a Strategic, Intelligence-Driven Focus That Allows TSA To Continuously Adapt Counterterrorism and Security Operations to a Persistent, Evolving Threat

We will employ risk-based operations tailored to each environment and transportation mode and will leverage intelligence, technology, the experience of our front-line operators and our private sector and international partners to ensure we employ effective and constantly evolving systems and capabilities.

Proper application of a risk-based approach requires strong cross-modal domain awareness. TSA must integrate surveillance data, all-source intelligence, law enforcement information, and relevant open-source data from public and private sectors to accomplish this objective. We will pay particular attention to the insider threat. In addition, we will strengthen our capability to conduct deliberate and crisis action operational planning, adjusting to new threats based on mission analysis, intelligence-driven testing of existing systems, and application of proven best practices and principles in the conduct of operations.

Employing historically proven practices and principles enhances consistency and performance of operations. Common tasks for mission success in screening, inspections, special mission coverage, and other operations should be practiced in realistic conditions and rehearsed frequently under the supervision of qualified and trained supervisors or subject matter experts. Frequent rehearsals reinforce tactics, muscle memory, and sustain sharpness of perishable skills.

Invest in Our Workforce To Ensure It Is Mission-Ready, Expertly Trained, Deliberately Developed, and Led by Mission-Focused and Value-Based Leaders

The single greatest strength of TSA is its committed, professional workforce. We must continue to recruit and retain highly capable individuals whose talents and acuties are uniquely tailored to our operating environments. Of particular value are experienced specialists—such as explosives experts, air marshals, and canine handlers—whose capabilities are invaluable to our mission success. For them and for all our employees, we must invest in training and provide a career path for growth and development.

I am committed to creating an environment where employees and leaders can develop, employees have the tools to be successful, and the workforce is motivated by TSA's mission, vision, and strategic imperatives. To provide the most effective transportation security, the workforce must be consistently learning and improving. I will strive to ensure that each of us at TSA headquarters serves and supports all of the officers, inspectors, marshals, employees, and private sector partners who are on the front lines each and every day and in whom we entrust so much.

My expectations include a strong emphasis on values, performance, customer service, and accountability. The traveling public expects efficient and effective screening and to be treated with dignity and respect, and we must ingrain these principles in agency culture by continually reinforcing this message of dignity and respect in training for our frontline workforce and management alike. I am confident each of the men and women at TSA will achieve my expectations.

The TSA Academy, established at FLETC Glynco in January 2016, offers all new TSO hires a common basic training program and an environment to set foundational culture for TSA. Moreover, this investment will serve to improve performance and morale, foster an environment of growth and development, and develop future leaders.

Pursue Advanced Capabilities Through Continuous Innovation and Adaptation To Ensure Our Agency Deters, Detects, and Disrupts the Adversaries of the United States

Central to TSA's mission is deterring a rapidly evolving global terror threat, with persistent adversaries who adapt their methods and plans for attack. Given this dynamic threat landscape, we must employ a strategic, systems-focused approach to ensure we evolve our ability to detect and disrupt the latest threat streams. As our adversaries adapt, so must we.

We will continue to invest in national aviation intelligence systems, transportation sector vetting processes, enhanced explosives detection equipment and improved checkpoint technologies. We will continue to train and develop our officers on technological and procedural limitations to enhance system knowledge and improve the human-machine interface.

We will make a concerted effort to strategically develop and sustain a strong partnership with the homeland security enterprise industrial base and work with them to deliberately develop and validate capabilities. Every effort will be made to enhance the array of TSA's security capabilities to ensure an increased likelihood of exposure and experience to the traveling public. In the aviation sector, we will pursue a system design that identifies a mission essential level of capability that ensures deterrence as well as effective detection and disruption of items on the prohibited items list.

The success of our core aviation security mission requires a continuous cycle of operational evolution. We will work to develop a system focused on identifying and addressing existing vulnerabilities. The global transportation threat requires TSA to employ a systems-of-systems strategy that will enable us to stay proactively informed and connected to our industry partners.

To field and sustain an integrated requirements and acquisition capability, I am committed to creating an efficient, effective, and dynamic resource planning/deployment process for our agency. TSA is focusing on building an acquisition strategy designed to counter evolving threats while concentrating on prioritizing advanced capabilities that are cutting edge and adaptive.

IMPERATIVES FOR CHANGE

Our critical examination of our screening operations also gave us valuable insight into imperatives for change—how TSA must evolve to meet the security and customer service challenges ahead.

What do we do next? If we were rebuilding TSA from scratch today, would we do everything the same, or is there a better way, given not only the evolution of the threats we face but also the tremendous pace at which the aviation industry

is growing? Last year alone, passenger growth was approximately four percent, nearly twice as much as anticipated.

We have no choice but to explore different and innovative ways of doing business, of delivering the safety and security that is crucial to the operation of our transportation system. We have reached a critical turning point in TSA, both in terms of addressing the problems we have encountered and to begin our investment in a more strategic approach to securing the transportation sector.

TSA AND COUNTERTERRORISM

One of my key objectives is to continue to position TSA as a counterterrorism organization. In pursuing this objective, we have met with key partners from the Intelligence Community and have repeatedly met with officials from a number of our industry partners including each of the major U.S. airlines, cargo carriers, and the key aviation and transportation sector associations. The transportation security system we are moving toward will require a collaborative, cooperative effort among government and industry partners.

We have met with our counterparts in other countries for thorough discussions on aviation, surface, and rail security from a global perspective. TSA maintains a strong relationship with the transportation stakeholders in other countries, and a significant part of our engagement has dealt with their concerns, priorities, and opportunities to pursue further collaboration.

RISK-BASED ASSESSMENT

Over the last 4 years, we have made a significant shift to risk-based security procedures. On January 12, 2016, TSA reached 2 million total enrollments for the TSA PreCheck Application Program. More than 6 million travelers are enrolled in a DHS trusted traveler program, such as Customs and Border Protection's Global Entry, and are eligible for TSA PreCheck. TSA is working aggressively to expand the number of enrolled travelers, with the goal over the next 3 years of enrolling 25 million travelers in the TSA PreCheck Application Program or a DHS trusted traveler program. This is a four-fold increase from today. This is an important security component for TSA as it shifts to a model where "low-risk" individuals are either directly enrolled or part of an eligible low-risk population that is known to TSA.

Even more promising in terms of risk-based security procedures is the work we are doing on developing the Dynamic Aviation Risk Management Solution, or DARMS. The objective of DARMS is to unify, quantify, and integrate information across the aviation sector in order to comprehensively assess risk on an individual, on a per flight basis. DARMS will integrate information on passengers, checked baggage and cargo, aircraft operators and airports and airport perimeters.

This kind of system-side application of risk-based principles will allow greater screening segmentation and a more efficient, effective and agile reallocation of resources.

Early this year, TSA will finish the initial proof of concept of DARMS for passenger screening. Within the next 1 to 3 years we plan to finish the design and create a prototype that incorporates the complete aviation security ecosystem and which tests and evaluates the approach at a few select airports. And within 4 to 10 years, we plan to gradually introduce DARMS at airports. We look forward to sharing these plans in more detail with Congress.

We have actively worked with industry throughout the process to leverage their knowledge and expertise, solicit their feedback and refine the approach. TSA is committed to continuing that collaboration and strengthening those partnerships.

TRAINING AND MISSION CAPABILITIES

As mentioned previously, and thanks to help from Congress in our appropriations last year, we started conducting new hire training for TSOs at the TSA Academy. Previously this training was decentralized and conducted at individual airports.

The TSA Academy connects TSA's frontline workforce with other DHS partners and provides a consistent training experience that improves performance and professionalizes the officer workforce. Delivered in a dedicated, high-quality environment conducive to realistic, scenario-based learning, the Academy will help instill a common culture and esprit de corps at the beginning of an officer's career, and enable us to instill core values and raise performance standards across the screening workforce.

The dividends are already apparent. Training in this manner ties the individual to mission. It ties the employee to engage in a larger organization with a critical mission—to something bigger than themselves—and it ties them to a sense of what the oath they took to protect this country really means.

TECHNOLOGY AND ACQUISITION INNOVATION

We also are rethinking how we invest in technology to better ensure that our investments are driven by threat and not by lifecycle.

While we continue to improve detection capabilities on our existing equipment, our investment in new technologies must exceed the speed of the enemies' ability to evolve. Our recently published Strategic Five-Year Technology Investment Plan for Aviation Security is an example of thoughtful planning toward these ends. Interaction with industry in developing the report was insightful, and we are optimistic that this increased collaboration will prove beneficial.

The Defense Acquisition University is conducting an independent analysis of our acquisition management processes, programs, and organizations to address this challenge, which will inform future adaptations to our acquisition governance. This effort is complete and TSA is reviewing and developing an implementation strategy.

In addition, TSA is partnering with the DHS Science and Technology Directorate (S&T) to further align research and development (R&D) projects to acquisition needs. Improving this critical process will better enable us to identify capability gaps and to coordinate R&D to close those gaps.

The Transportation Security Acquisition Reform Act (Public Law 113–245), signed into law in 2014, has helped us by mandating increased transparency and the use of best practices for security technology acquisitions. The law also allows TSA to advance small business contracting goals and expand our partnership with industry and aviation security stakeholders.

TSA is also partnering with S&T and several private entities to develop the potential future of passenger screening models. Future private-public collaboration in curb-to-gate security systems may offer the leap forward in aviation security that can absorb system growth, increase effectiveness, provide operational resiliency, and improve the passenger experience.

STAFFING MODELS AND RIGHTSIZING TSA

Rightsizing our staffing, training, and equipment needs are critically vital investments, and sets a firm foundation for the continuing evolution of TSA. I appreciated the Committee's support and funding for each of these important priorities as part of the Fiscal Year 2016 Consolidated Appropriations Act (Public Law 114–113)—and request continued support in our fiscal year 2017 budget. As traveler traffic volume grows, it is crucial we re-examine our assumptions and models for future fiscal years, which is underway now.

We are a smaller organization than we were 4 years ago, with about 6,000 fewer TSOs in the screening workforce. The fact is we cannot build a workforce indefinitely. We have a limited geographic footprint in every airport—some large, some small. Only continuous innovation at the checkpoint will meet the challenges posed by passenger volume growth. Eventually, we will reach capacity, and in some places we already exceed capacity during peak travel periods.

TSA SENIOR LEADERSHIP

Good leadership requires good people who are committed to the mission. Last September, I convened a meeting of TSA's executive leadership. The meeting allowed me to lay out my vision for evolving TSA into the counterterrorism organization our mission demands. The dialogue at this 2-day event was spirited, and we wrapped up with a work list of items that will move our agency forward.

In addition to the range of projects supporting screening operations improvements, we are examining discipline, empowerment of frontline leaders, expanding information sharing, improving training and exploring ways of consolidating operations and support activities in TSA headquarters. We have also changed the metrics that leadership collects and uses to focus more on effectiveness than efficiency at the checkpoint.

In addition to the standardized training for our frontline employees, I am also committed to continued development of our agency's leaders. I have begun a leadership speaker's series for senior leadership that covers topics such as ethical leadership, leadership in action, and leading effective operations. We will be sending senior leaders to leadership courses to strengthen their skills. Additionally, I have reformed guidelines regarding SES special act awards.

ADMINISTRATOR'S INTENT

Mission success is built on a shared understanding of objectives, unity of purpose, and alignment of values and principles. In January 2016, I published my Administrator's Intent, an effort to articulate those objectives, the approach we will pursue

in accomplishing our essential counterterrorism mission, and the values and principles that define TSA.

Central to our success is a commitment to a common set of values. We will operate with the core values that define us as an agency—integrity, innovation, and team spirit. Building on these, my intent outlines the principles we care about as an agency. Simply stated: we will focus on mission, invest in people, and commit to excellence.

—*Focus on Mission.*—Since my first day at TSA, I have stressed the importance of putting our mission first. Focusing on our mission helps us prioritize our resources and operations to meet the threat. It also informs how we must invest in our workforce to achieve mission success.

—*Invest in People.*—Our culture, effectiveness, and mission readiness are a direct result of consistent and career-long investment in people and set the foundation for agency success. Our people are our most important resource, and I am committed to ensuring they have the tools and resources to succeed. Value-based leadership, a foundation of training, recruiting and retaining talent, and appropriate recognition are core elements of our approach.

—*Commit to Excellence.*—Our standard is excellence in all mission areas. We operate in a global environment where the threat remains persistent and evolving. As we pursue our counterterrorism mission, we will relentlessly pursue excellence, through a culture of constant improvement, organizational adaptation, and a disciplined pursuit of professionalism.

Of the many positive impressions from my early tenure as TSA Administrator, the most profound is the one I have gleaned from our workforce. They are incredibly patriotic and passionate about our counterterrorism mission and will perform well if properly trained, equipped and led.

Many profound and important tasks lay ahead for TSA, and we are committed to leading this agency guided by these values and principles. It is a noble mission for which the men and women of TSA are prepared. Thank you for the opportunity to appear before you today. I look forward to your questions.

FEE INCREASE PROPOSAL

Senator HOEVEN. Thank you, Administrator. We will start now with 5-minute rounds of questions.

My first question relates to the budget and the funding. The first challenge we have is finding about \$900 million, which is actually included in the budget as part of the reinstatement of the air carrier fee and then an increase in the aviation passenger security fee.

Together, that is over \$900 million, \$909 million, so that creates a big challenge for us, particularly because I do not believe that Congress is going to be willing to reinstate or increase these fees.

And, if you factor other proposals in the President's budget, we have to find about \$1.5 billion, although we do not have our 302B yet, so that number may be less. We hope it will be less, but we are going to have to find some savings here.

What can we do in TSA in that regard, if we do not have those fees?

Mr. NEFFENGER. It would be challenging for us to find \$900 million within the TSA budget.

Senator HOEVEN. Yes, and that is not going to be the case. But what do you think we can do and where?

Mr. NEFFENGER. Well, I do think it is appropriate to ask the people who benefit directly from the services that are provided, the security services provided, to contribute to that. And of course, they currently do. The passenger service fee is a modest increase of a dollar per trip, capping at \$2 per roundtrip. And it does ask for reinstatement of the airline carrier fee, the airline service fee that was in existence until 2014.

Absent that, we will have to work with the committee to identify potential other sources of funding. The requirement still remains for the funding in the budget.

Senator HOEVEN. Well, I think you are going to need to look at areas where we can find some savings. Again, this is not going to all come out of the TSA budget, and we hope to do better on the 302B than we have in the allocation of the President's budget.

However, we are going to have to find some savings. So we are going to need your input as to where in TSA you would do some prioritization.

DHS INSPECTOR GENERAL FINDINGS

The second question I have relates to the progress on the Inspector General's findings. I know you have been very diligent in your efforts in regard to those findings. To the extent you can, in a non-confidential setting, talk about progress in addressing those Inspector General findings.

Mr. NEFFENGER. As you know, we did submit the classified report to the committee, and I think your staff has had a chance to look through that. That is a very comprehensive report on the findings.

We also provided that report to the Inspector General, and I am pleased to report that he has concurred with our approach. He believes that we are on the right track. I have had a number of conversations with the Inspector General. I believe that we are moving forward in a way that is acceptable to him. We are looking forward to closing out those items as we move into the future. We are generally in a resolved state on all of the Inspector General's recommendations, but they are still open because, like a good Inspector General, he is going to verify that we have, in fact, put in place the systems that we claim to be putting into place. But I think we are on a very good trajectory with the Inspector General.

More importantly, I think that we are really moving forward on correcting the problems identified by the Inspector General last year.

Senator HOEVEN. It is a 10-point plan. Do you feel you are really covering all 10 points and you are making good progress on them?

Mr. NEFFENGER. Yes. Actually, the 10-point plan is the plan that we developed with the Secretary. Our response actually is much more comprehensive than that. We have gathered much of what we are doing under 10 key points to report to Secretary Johnson. I see him on a biweekly basis to report on our progress.

But the plan is actually much more extensive than 10 points. It is just that these are 10 categories of actions that we captured, but there are scores of actions under each category.

CENTRALIZED TRAINING AT THE FEDERAL LAW ENFORCEMENT TRAINING CENTER

Senator HOEVEN. One of the things you are doing is making sure that everybody goes through training at Glynco, Georgia, with the idea of both standardizing the training and making sure you maintain a certain quality standard and consistency throughout the organization. Has that been helpful? How is that progressing?

Mr. NEFFENGER. Well, we started that just in January this year, so it is still a relatively new program. I want to thank the committee for giving us the opportunity to do that.

I was surprised to find that TSA did not have a basic training program, if you will, that brought people together. So for the first time in TSA's history, we actually have a basic training course for all of our new transportation security hires.

And this was a complete rewrite of the curricula, so it is a fundamental, top-to-bottom overhaul of that. So this is true hands-on, scenario-based training in a real-world environment under real-world conditions in a consistent classroom environment in what I consider to be a world-class training institution, the Federal Law Enforcement Training Center.

So initial results, initial measures seem to indicate that some of what we expected to see really is happening: an esprit de corps of a very high level, a sense of commitment to a larger purpose than simply a job, an understanding of what it means to be part of the homeland security enterprise and have a role as important as this.

We have to measure that over time. We are moving about 192 students a week through there now, so it is a 2-week course. But every week, we are graduating a 2-week class, starting this month. We are going to follow each of these cohorts. We do an initial assessment—how well did they do, what is the graduation rate, and so forth. We get their input, and we also get the instructor's input. And over time, we will track them to see if we are actually seeing improved performance.

It is a little early for us to know that right now, but I suspect we will see improved performance. Then we are going to go to their supervisors in the field to see if they are seeing a fundamental different quality going forward. And then we will use those measures to roll back into the training, if we see that there are improvements that need to be made.

But I will tell you that it is inspirational to go there. I spent some time down there already. I would encourage any member of this committee who wants to take a visit or speak to one of the graduating classes, it is a standing invitation.

Senator HOEVEN. Thank you.

Senator SHAHEEN.

Senator SHAHEEN. Thank you.

FEE INCREASE PROPOSAL

Administrator, I know that your response to Chairman Hoeven's question about what would be the impact if the \$909 million in fees is not enacted is that it would have a dramatic impact on the agency. While I agree, it is probably not likely to all come out of TSA but specifically, if it were all to come out of TSA, and you had to reduce the TSO work force to accommodate that \$909 million reduction, how many TSO employees would be lost?

Mr. NEFFENGER. That represents approximately 13,000 full-time employees. That would be a significant hit.

Senator SHAHEEN. About 30 percent?

Mr. NEFFENGER. That would be about 30 percent of the work force, yes, ma'am.

Senator SHAHEEN. So it would be a significant hit.

Mr. NEFFENGER. It would. I think it would make it very challenging to perform the mission on a daily basis.

Senator SHAHEEN. While I know that we have to deal with this issue, I just want to point out that in the 2016 DHS Appropriations Act, the Department, in submitting a budget that assumes revenue from fees, was also supposed to identify spending reductions that would occur if the proposal was not enacted.

Has that been done as part of your budget submission?

Mr. NEFFENGER. We have not done specific spending reductions. We are looking at our budget right now to determine, if we had to find that money, how would we distribute it across our budget. I would just tell you it would be very challenging to do so, given that two-thirds of our budget is going directly toward paying our people, covers the costs of our people.

Senator SHAHEEN. Well, I think the committee is probably very interested in continuing to work with you as we look at this issue.

TSA STAFFING NEEDS

Over the last 4 years, TSA screening work force has been reduced by about 6,000. Part of that was made possible by the managed inclusion initiative that has been phased out. So can you talk about, given that you do not expect managed inclusion to continue, how you plan to continue to provide the work force that we are going to need to deal with the threats from ISIS and from the requirements to keep the agency fully staffed?

Mr. NEFFENGER. Thank you for the question, Senator. I think one of the things I was concerned about when I came onboard and we were looking at the results of the Inspector General testing, I knew that we would have to discontinue the managed inclusion, which, as you know, is the practice of taking people from the standard lane and randomly assigning them into the PreCheck or expedited screening lanes.

I personally did not think that was sustainable or justifiable. That conformed with what the Inspector General found. In fact, we found that we were adding more risk into the system than we should.

That said, that meant that we moved about 10 percent of the daily traveling population back into the standard lanes. I knew that would put a lot of pressure on standard lanes, so I appreciate the fact that I was able to halt any further reduction in my screening work force.

Concurrent with that, though, we are doing a hard look at our staffing needs going forward. Given the growth that we are seeing in the industry and the projected growth in the travel population in the coming year, if it holds as projected, then my suspicion is we will have to make some adjustments to our staffing model.

I owe that to you and to the committee. I should be seeing the initial results of that within the next few weeks from my staff, and then I need to come forward and build that into my budget request going forward.

I want to make sure we stay responsive to the security needs. I think there is also an opportunity to make some adjustments to the way in which we conduct screening today. There are some prom-

ising new technologies that are not just on the horizon but available now that I think we could put into place.

But I do not know that we have staffing right. I owe you that answer. That answer is owed to me, and I owe that answer to you, following that. I hope to get that within the coming weeks, and then take a hard look at what it really takes in the face of the current threat and in the face of the current travel volume to ensure that we are doing our job in the best way possible.

Senator SHAHEEN. We talked about this when we had a chance to meet, but will you also address full-time versus part-time as part of that?

Mr. NEFFENGER. We will. You have to get the mix right. There is a certain number of part-time workers that are appropriate because you have a lot of surge staffing and peak staffing that you need to have. But I do not think I have the mix right, right now. I would like to see a better balance between full-time and part-time. I think that will address some of our attrition rates that we have seen. If you can hire more full-time employees, you can reduce the attrition and turnover.

Our surveys show us that a lot of the attrition is because people who would like to be full-time because they need the money find full-time jobs. If they cannot find a full-time job with this, they are going to have to find it someplace else.

Senator SHAHEEN [presiding]. Thank you.

Senator Cassidy.

Senator CASSIDY. A couple things. Just so I understand, you mentioned that your risk-based security initiatives, such as the expansion of the TSA PreCheck, allow you to concentrate your resources looking for threat among those who are not PreCheck. Is that a fair statement?

Mr. NEFFENGER. Yes, sir. That is a fair statement.

Senator CASSIDY. Okay. Now, I understand you recently selected a potential private sector provider for something called third-party PreCheck to increase the participation overall. Right now I fly so much on PreCheck that I have my daughter with me in PreCheck, my wife in PreCheck. I love PreCheck. So what is the status of this third-party project and what are the next steps?

Mr. NEFFENGER. As you know, Senator, we put out a request for proposal (RFP). We currently have a single vendor that provides enrollment services. Those enrollment services are at specific airports, not all airports, but at most of the major airports.

The goal is to find ways to increase enrollment opportunity to put it out more in the retail environment, so that you do not necessarily have to find yourself at an airport with the right documentation in your hand. So this past year, we put out a request for proposal that would allow a number of potential third-party vendors to provide enrollment services and increase the opportunity for that enrollment.

The current status is the RFP closed. We have bids in right now. We are evaluating those bid proposals at the moment. If all goes well, we should be able to award a contract by mid- to late-summer, and begin to see third-party enrollments from these additional vendors.

Senator CASSIDY. So I took my daughter to get hers. We went to a little sort of strip mall type of thing, little office building in a strip mall. I did not think it was, but you're saying that is actually run now by TSA?

Mr. NEFFENGER. It is actually run by a vendor.

Senator CASSIDY. So you actually already implemented this, even though the RFP has not been awarded?

Mr. NEFFENGER. We have one contract that was awarded back when PreCheck was first established. There is a single vendor that provides enrollment services.

The difference with this request for proposal was to look for more creative or innovative ways, if you will. We thought the private sector may have a better understanding of how best to market and develop the enrollment capabilities.

Senator CASSIDY. So it is not just the person standing behind the screen. It is also the marketing thereof?

Mr. NEFFENGER. Yes, sir. It is.

USE OF BIOMETRICS

Senator CASSIDY. You also have \$53 million in for biometric capture, iris and facial recognition. That brings to mind Minority Report, the movie.

So would this be something that would, as I am standing in line, be looking at my face, comparing it to a database of known or suspected you-should-not-fly people? Or is this something that when I go for my TSA PreCheck, they take my picture, they do retinal scan? You see the difference?

Mr. NEFFENGER. It is more the latter, Senator. The idea would be, clearly, you want permission to do this in the screening environment, just like we certainly encourage people to enroll in Trusted Traveler Programs like Global Entry and PreCheck. You have to be willing to provide the information. This would be along that same vein, if you are willing to provide that information.

What it would allow us to do potentially in the future is to dramatically improve the efficiency of the system, moving you through more effectively while at the same time tie you more directly to your identity.

Senator CASSIDY. Now, it still seems like PreCheck, I guess I am trying to understand the degree this would add to the PreCheck phenomenon. I do not see people pulled aside when they are in PreCheck. But again, the facial and iris screen would be for those who voluntarily enroll in PreCheck, not for those standing in line who have not enrolled in PreCheck?

Mr. NEFFENGER. That is correct. What it would do is just improve the processing. Currently, you walk up to an individual and you provide your boarding pass and they check it. This would just speed that process.

BIOWATCH

Senator CASSIDY. You have \$82 million for the BioWatch program for the detection and early warning of intentional release of aerosolized biologic agents. How would that work? I mean, if somebody has a biologic agent, and it is in some sort of hairspray bottle, I guess the nature of this detection system, knowing that it is being

developed, it might be classified, but the degree to which you can tell us what it is, can you tell us what it is?

Mr. NEFFENGER. Well, I cannot get into a lot of details with respect to how it works. What I will tell you is that we are always looking at the evolving threat environment and what we see as potential new sources of harm to the system. So what this looks at is, first of all, how extensive or how much of a concern is it? More importantly, if it is identified as a concern, you identify particular types of bioagents as a concern, how easily or how effectively could you determine what they are and could you detect them? So it is really part of the research and development testing that you want to do to determine whether there are additional concerns that we need to be aware of that might find their way into the transportation system.

Senator CASSIDY. As in whether or not somebody could somehow—it is an interesting concept. I am not sure I follow it.

Senator SHAHEEN. Let me just point out that BioWatch is not a TSA program. It is run by Health Affairs within DHS. And I would say it is more likely to be in a man's shaving cream than a woman's hairspray, but I just want to make sure that we are not being sexist in our assumptions about aerosols.

Senator CASSIDY. That said, it is in this budget, and so the \$82 million for the BioWatch, is that just a pass-through from your agency to the Department of Health and Human Services (HHS)?

Mr. NEFFENGER. It is our participation.

And thank you, Senator, for clarifying. It is our participation in a department-wide look at these agents. We are still fundamentally focused on what we believe to be the range of devices and types of implements that we have been seeing over the past few years. But we want to be aware of what they are doing, and this is our piece of participating in that, to ensure that we are not inadvertently missing a concern that might be out there.

Senator CASSIDY. And for the record, I meant no slight toward women using hairspray.

Senator SHAHEEN. Thank you. I appreciate the clarification.

Senator Tester.

ADVANCED IMAGING TECHNOLOGY

Senator TESTER. Thank you. I appreciate you being here, Administrator Neffenger, today.

I come from a State of 1 million people. We get 12 million folks who come and \$4 billion in our State every year. So many of them come by air. It is a huge part of our economy, so I appreciate the role the TSA plays in keeping us safe.

I guess my question is, how important are full-body scanners? I mean, I see these in the airports and see the TSA PreCheck, and I go through them. But how important are the full-body scanners?

Mr. NEFFENGER. I consider it one of the most effective means of determining and detecting whether somebody is moving a non-metallic device through the system, so I think they are very important.

Senator TESTER. Perfect. So we have two pretty busy airports in Helena and Great Falls. Not as busy as O'Hare or Logan or Dulles, by any stretch of the imagination. But they are pretty still pretty

damn busy, and they are set up to have these full-body scanners. Why don't we have them there?

Mr. NEFFENGER. Some of it is a funding issue, I will be honest with you. It is a prioritization. We start where the greatest volume of people are going as well as where we consider the greatest threat seems to be.

In my personal opinion, I would like to see them across the entire system.

Senator TESTER. I think we need them. Quite frankly, we are talking about a budget here that you are looking at saving somewhere between a dollar and \$1.5 billion, and we cannot get full-body scanners. We have some issues, because, quite frankly, I have gone nearly 2 million miles since I took this job, and my neighbors need to fly safely, too. Just because they live in a rural State like Montana does not mean we should not have scanners.

FEE INCREASE PROPOSAL

So let me ask you, this dollar roundtrip charge, is this supported by the airlines?

Mr. NEFFENGER. I do not believe it is, no, sir.

Senator TESTER. Okay. Do the airlines understand that after 9/11, there was nobody flying? Do they understand that if we have an issue like this, it will have incredible—and nobody wants to see it—incredible economic impacts not only on airlines but across States like Montana that depend on \$4 billion from that?

Mr. NEFFENGER. Senator, I believe that the people who benefit from the security services should contribute to that benefit.

Senator TESTER. I guess we will get the airline folks in my office and figure out why they do not. I do not like to pay any money either in taxes, but when you are getting direct benefits, it is important.

But I am assuming that you need this money. Would that be correct?

Mr. NEFFENGER. We do need the budget that we requested.

Senator TESTER. Would it also be correct to assume, for the folks on this panel, that a few years back we cut Embassy security and ended up with a horrible situation in a place called Benghazi, and we point the finger at everybody but ourselves. So we need to keep that in mind when we are talking about all the other security budgets around this country.

INTELLIGENCE OPERATIONS

TSA continues to develop intelligence operations that increase information-sharing with outside stakeholders and agencies. Can you tell me what protocols are being put into place to make sure this information about every day, honest, law-abiding citizens is being protected from abuse?

Mr. NEFFENGER. Yes, sir. I am not sure if you have a particular category of information, but if you look at the secure flight information, for example, the information that you enter when you enter your name and birthdate and travel itinerary into the system, then it tracks. And we use that information to determine whether or not you are on a terrorist database or the like.

That is very tightly controlled access. As you know, that is owned by the intelligence community. There are tight controls over who may access that, and there are tracking controls over who accesses that.

We do not share that personal data outside that system, outside of those few entities and agencies that are allowed to access that data. If we have a concern about an individual, there are other ways to move that information to the appropriate law enforcement agencies for action without giving them access to the database itself.

Senator TESTER. Okay, so you are confident that this information is being used by the people who need it and nobody else?

Mr. NEFFENGER. Yes, sir. I am.

ADVANCED IMAGING TECHNOLOGY

Senator TESTER. Okay. I would pin you down on these full-body scanners some more, but can you give me an idea on how many airports out there the TSA is in that do not have full-body scanners?

Mr. NEFFENGER. Senator, off the top my head, I do not have a number, but I will get that number for you.

Senator TESTER. Can you give me a percentage? Is it 10 percent, 15 percent?

Mr. NEFFENGER. I hesitate to make a guess right now because any time I guess, I am off.

[The information follows:]

ADVANCED IMAGING TECHNOLOGY: PRESENCE IN FEDERALIZED AIRPORTS

As of April 4, 2016, there are 234 federalized airports that do not have an Advanced Imaging Technology (AIT) unit. This equates to approximately 54 percent of the Nation's federalized airports. TSA deployed AITs at larger airports in order to maximize the number of passengers passing through the units, thereby achieving a greater risk reduction. As you know, the AIT system is useful in rapidly detecting non-metallic threats, which cannot be detected by a walkthrough metal detector. Airports with lower passenger volume employ alternative methods of detecting non-metallic threats.

Senator TESTER. I would just tell you, I think it is critically important. It is our job to make sure that the folks who are flying are kept safe in this country, and we do that job through you.

When you put up a budget, I guarantee there is nobody on this panel who wants to see fat in the budget. We want to see that budget be lean and mean and do the job it is intended to do. If it does not do the job it is intended to do, we need to know about it directly.

I would say the fact that we have a percentage of airports that do not have full-body scanners is a problem, just by what you said about the importance of detecting nonmetallic devices.

So with that, Madam Ranking Member, I appreciate the opportunity.

Thank you for your service.

IMPROVEMENTS TO TECHNOLOGY

Senator SHAHEEN. Thank you very much.

I would like to pick up on the questioning that I heard from my colleagues relative to the importance of technology as TSA is doing the job that is part of its mission. Obviously, technology was a fac-

tor in the Inspector General's report, and you mentioned the importance of technology in being more efficient at the agency.

We know that right now there are a limited number of companies that supply the screening equipment to TSA and very few of those are small businesses. So what can TSA and DHS do that can get more companies interested in working on new technologies and doing a better job of providing the innovation that we are going to need in the future?

Mr. NEFFENGER. Senator, thank you for the question. As you know, the last time I appeared before this committee, that is one of things that I said was of great concern to me. I would like to see much more competition in the marketplace, because it is such a challenging mission. It needs to be very cutting-edge, and it needs to evolve faster than the threat is evolving. I think that there is capability out there that we just have not tapped into yet.

So over the past few months, there are a couple things that I have done to try to understand how to do that better. The first thing we did was contract with the Defense Acquisition University to take a hard look at the way in which we are conducting our acquisition programs. My suspicion was that there were some things that we could do that could better incentivize people on the front end of an acquisition, better things we could do with respect to how we define our requirements, and then how we publicize those requirements and generate the research and development necessary.

We just got that report, and they have made a number of recommendations, which I think can help us in that respect. So that is one aspect of how you into it.

Second, I am tying myself much more closely to the Department's Science and Technology division, because I think that you have to find a way to seed research and development dollars into the front-end to even get people interested in participating. That is how you signal the kinds of concerns that you have as well as signal the kinds of input that you need.

The last piece is with respect to the technology itself. I would like to see us move to a much more open architecture, and open systems. So first of all, look at the system in its entirety, instead of the boxes in the system. If you look at it as a system of individual components, then you can begin to think about how you could do that in an open way, meaning things like software, not proprietary systems. Just like on your PC, you can put lots of different kinds of software on it. You can even pick your own operating system. We need the ability to do that ourselves because then you have much more opportunity for people to compete.

Hardware, the same thing. The hardware systems I would like to see opened up so that you have more opportunity for people to compete. That way, we will attract more of those small businesses where some of the real innovations is happening.

So all of those are in big category ways that we are addressing it. There is a lot of detail behind each of those that I am more than happy to share with the committee and have staff come up and talk about.

But I think we have some real opportunity to change that in the coming months in a way that could dramatically improve our abil-

ity to both field technology as well as get the stuff we need to do the job.

Senator SHAHEEN. I really appreciate that. One of the other hats that I wear here is ranking member on the Small Business Committee. As you alluded to, most of the innovation is done from small businesses. It is not done by the large businesses. So in thinking about how we can get the more engaged on the needs of TSA I think is really important.

Do you participate in the SBIR program?

Mr. NEFFENGER. I am not sure I am familiar with the SBIR program.

Senator SHAHEEN. It is Small Business Innovation Research program.

Mr. NEFFENGER. Oh, yes, I am sorry. The one thing I am pleased to report is that we hit our small business participation targets this past year, so I am pleased with that. I would like to create some more stretch goals for us in the small business community. I am very pleased with the work that some of our staff have done to really increase participation in small businesses.

But there are some of these structural things that we have to address before we can really open that up in a way that I think is appropriate.

Senator SHAHEEN. Well, I think that will be very helpful and a very important. Certainly, I am sure that this subcommittee would be very interested in working with you on that.

We have seen the SBIR program make a real difference for the Department of Defense, in terms of the innovation that they need to keep current. So I think this provides a real opportunity for TSA.

Mr. NEFFENGER. Thank you. I look forward to bringing forward the results of some of this internal evaluation we have done, as well as what we are currently doing with small businesses. Certainly, we are open to learning from what the committee already understands about that as well. So I think there is real opportunity going forward.

Senator SHAHEEN. Good. Thank you.

Senator Cassidy.

RANDOM SCREENING

Senator CASSIDY. The last time I was here, Secretary Johnson was there. I was once at Reagan, and we were about to board and hand in our little tickets and be allowed onto the plane. Somebody pulled over somebody and went through her purse, and it was a random check.

It was the only time I had ever seen that. It, actually, was not at every terminal at Reagan. It was only terminal A.

Similarly, in some airports, they pull you out. They swab you to see if you have gunpowder or nitrogen on your hands, and other airports not.

Now, clearly, if this was something generally recognized to be useful—for example, x-rays or body scans—it would be done more consistently. But it is only done at one terminal at one airport, or several terminals at another airport, but not all terminals at all airports.

How do you assess the effectiveness of these different measures? Sometimes it seems quite random how you do your random screens.

Mr. NEFFENGER. There is a certain random component to any—

Senator CASSIDY. I should not have phrased it that way because the fact that you are only doing the kind of, "Okay, let me see your purse," in one terminal at one airport, that is not even random. That is isolated, I should say.

Mr. NEFFENGER. It actually happens more frequently than that, so there is a certain level at which we conduct that. We do not publicize the numbers for that. It may appear as if it is only occurring in one place, but I can assure you that it is happening repeatedly throughout the airport environment and many airports around the Nation.

There are a couple factors at play. One, there is a deterrent. There is a visible deterrence factor. And it is hard always to measure who did not do something because they saw you, but we know that there are strong deterrence factors associated with what people see happening.

For example, if you have an explosive-sniffing dog working—

Senator CASSIDY. I totally get the dog.

Mr. NEFFENGER. Right. You will see people turn around and walk away.

Senator CASSIDY. I am not sure I get kind of the random, where there are a hundred people in line, let's pull one person out. She may have been playing with fertilizer in her yard, but let's swab her. I would be interested to know like how many times that has turned out to be a positive, and when it was a positive, whether it was a true positive for someone who is trying to wreak havoc.

Mr. NEFFENGER. There is a classified briefing we can provide that tells you exactly how that is structured, what we find, what results we have gotten as result of that, as well as how we measure the deterrence factor.

I would be more than happy to provide that for you. I would prefer not to talk openly about how we do that.

Senator CASSIDY. I am okay with that.

Mr. NEFFENGER. If you are willing to allow us to do that, then we can provide a classified briefing to the committee or to you directly.

Senator CASSIDY. I will. Just in general, there is a scientific sort of—because you are asking for a lot of money here. And when I go through the airport and I see something that seems like the tree in the forest, and it makes a difference whatsoever, and it is not even heard. I am thinking, we just spent money on that.

Mr. NEFFENGER. Well, what I would tell you is, there is a sound and rational basis for why we do that. It is part of a larger system.

There are a lot of elements in a security system. Some are fixed. Some are virtual. Some are random in their nature. And some are designed to be very visible in their deterrence. Some are designed to be invisible and in the background. That is one of those many measures that are in place to create uncertainty.

The idea is to have an ongoing uncertainty as to whether or not something else might happen in the environment.

RISK-BASED SECURITY

Senator CASSIDY. Now, one of the consultants I read about your efforts said folks are, and I will paraphrase, so focused on the pica-yunish, they miss the great picture. So by looking for that pocket-knife in the purse, they actually miss the fact that there is somebody over there who is sweating profusely and looks as if they are nervous.

Now, I am paraphrasing, but that was kind of the intent of what they said.

So to what degree do you move—and I know that you have moved to some degree—from a system that assumes that everyone is equal risk to more of a risk-based assessment. If before it was 100 percent, everybody is the same risk, and now what percent of it is, no, here is a group that we truly believe are not at risk but—you follow what I am saying.

Mr. NEFFENGER. Currently, about 25 percent of the daily traveling population goes through expedited screening, through the PreCheck lanes. We would like to grow that to about 50 percent.

So that 25 percent gets relatively less screening, as you know, from your own experience in PreCheck. So it is very much risk-based.

If you accept the premise that the vast majority of people moving through the system are safe to do so, we want to identify who those individuals are. So that is part of the idea behind the vetted population or Trusted Traveler population, to verify that they are the people who are safe to move to the system.

If you can do that, then you can reduce the level of screening that you perform on that individual, as we do in PreCheck.

The remaining people you do not know anything about, then you move them into the standard screening, and there is a much higher level of scrutiny.

With respect to your previous comment, I would say that you need both, an attention to detail, because people still try to bring things through checkpoints that they should not bring through. Last year, 2,600-plus guns were stopped at the checkpoint, many of them loaded with a round in the chamber. So that is unacceptable, in anybody's book. So you want people paying close attention.

Senator CASSIDY. By the way, that included my mother-in-law. It was in her makeup purse. It should have been something out of a movie, but—

Mr. NEFFENGER. So she lost PreCheck for a period of time.

Senator CASSIDY. Well, she lost a lot, including respect.

Mr. NEFFENGER. So I want people to pay attention to detail. That is one of the things that was one of the major findings coming out, the root cause analysis that we did. You have to be good at that.

You also have to pay attention to, as you said, the bigger picture. So we do have people at the checkpoint whose job it is to pay attention to that bigger picture and kind of watch the dynamics of the checkpoint, the dynamics of the individuals we are moving through the checkpoints, and connect that to the people who have to do the detail work.

So if I have somebody sitting on an x-ray machine, I want them laser-focused on the images that they are reading. Ultimately, I

would like to get to the point where a machine can do that really well, but right now, you still want that person laser-focused.

I want somebody to pay attention to what might be coming through that should not be coming through the checkpoint. I do not want to be on an aircraft with people who have loaded weapons, unless they are a Federal air marshal or somebody else that is authorized to do so.

But I also want people to pay attention, as I said, to the dynamics of the checkpoint and pay attention for those people who may look like their behavior indicates that they are up to no good. So we have both of those elements at play.

Senator CASSIDY. Senator Shaheen.

CHECKPOINT WAIT TIME

Senator SHAHEEN. When the Secretary testified last week before the House Appropriations Committee, he acknowledged that passenger wait times are increasing at security checkpoints, and he pointed out that the cause was twofold, an increase in passenger volumes but also TSA's renewed focus on screening.

What is TSA thinking in terms of communicating to the public the fact that they should anticipate longer wait times, because I know that is one of the biggest frustrations of the traveling public. Everybody wants to be safe, but they also want it done instantly.

So what are you thinking about in terms of communicating?

Mr. NEFFENGER. There are a number of efforts at play right now. It is true that we have seen wait times on average go up. Believe it or not, the average wait time about a year ago was about 3.5 minutes across the entire system. Now, that is average. That means some people were waiting longer, and some people were not waiting at all. That has climbed to a little over 6 minutes, on average, across the system. So it is a doubling.

Senator SHAHEEN. Can I ask you, how do you define the wait time? Is it from the time you enter the checkpoint until you get through the screening?

Mr. NEFFENGER. It is. Yes, ma'am. So it is from the time you enter the queue to the time you encounter the screening on the other end.

So part of that has been driven by our very real refocus on the mission. My opinion is that, and the findings are, that we were actually moving people so quickly through the system, we were not catching things that we should have caught. That was borne out in the Inspector General's testing last year.

So we have gotten a lot better at that. And from my perspective, we had to get better at that and we had to focus on that mission. I knew that would cause some pressure on the checkpoint.

Coupled with that, we moved people that were getting expedited screening that were, in my opinion, entering a higher risk into expedited lanes because we did not know anything about them. We pushed them back into standard screening. That increased pressure on the screening checkpoint. You also have a very large growth in the traveling population.

So all of that combined together means that we have longer wait times than we did before. That said, I think it is incumbent upon us to do everything we can to mitigate that to the extent possible.

So we are working right now—I just got off a conference call last week with the top 20 airports, airlines servicing those airports, and operation managers for those airlines, the Federal security directors (FSDs), to focus on airport-by-airport what mitigating measures can we put in place.

We are working with airlines to understand how they are loading their flight schedules, so that we are anticipating that and we can staff into that. We are husbanding our overtime resources now, so we can push as much of that as we can into the peak summer months. I have talked to CEOs of all the major airlines to look at ways we can collaborate going forward.

So my goal is to work collaboratively, collectively, airport-by-airport at the top 20 airports, which represent roughly 85 percent of the daily passenger volume—this is where the problems exist—to look at what we can do.

We are also looking at airports, whether we can adjust the way in which the queuing lines are set up and the queues themselves, to determine whether there are some efficiencies we can gain.

I believe there are people in the airline industry, in the airport industry, that know a lot more about that sometimes than we do, and the goal is to look at this really as the system that it is and not simply hand off the problem from one element to another in the system.

All that said, however, you cannot forget that this is the most complex and dynamic threat environment certainly that I have seen in the time that I have been in public service, and I have been looking at threat environments for the better part of my adult life, as I think of my 34 years in the military and the time I have been here.

It is complex because you have a lot of players in the system now, a lot of terrorist groups that have expressed direct intent to harm the West, particularly the aviation system.

We have a couple of recent events that tell us this is not an abstract notion. And then you have competition among these groups, coupled with a very real ability to communicate in a way that is unlike anything we have seen before.

So I have to do the job well. We are in a tough threat environment. It is a very busy travel season. It is great for the industry. It means that you have a very healthy industry. But anybody who has been through airports knows that they are very crowded these days.

So we are doing everything we can. We are working collectively with airlines, with airports, with our own folks. I am getting a lot of authority through local FSDs to make adjustments on the fly. And they we are frontloading our hiring to try to catch up with the summer rush. And we will be putting press releases out to indicate to people what to expect.

So I hope that will be adequate in the near term, while at the same time looking to see whether we have the staffing model right. I need to come back to this committee and tell you whether we have enough people to do what we need to do.

Senator SHAHEEN. I would urge you, as you are talking to those airport operators, to encourage them to look at their system-wide approach to checkpoints. Maybe I am the only one, but I have been

in a number of terminals or airports where you go into one terminal and they are very efficient, and you go into another one, and they are terrible, in the most cases, managing the same number of people.

So I have to believe it is a function of the individuals on the ground there who are actually directing traffic.

PRIVATIZED SCREENING

Just to do one other follow-up before I turn it back over to Senator Cassidy, the chair of the Atlanta City Council transportation committee was reported recently as being open-minded about privatizing the screening at Hartsfield because of the long wait times.

Can you speak to whether you think privatizing screening would result in shorter wait times?

Mr. NEFFENGER. I think whether you have a Federal work force or privatized work force under Federal direction, the challenges remain the same in the system. You have a lot of people moving through the system. You have a limited geographic footprint in which to move those people, particularly in some of our older airports or airports as they are currently designed. And you have the same peak loading problems in the system as well. And you have staffing constraints, no matter which, because remember, even privatized a work force has to be within the same cost estimate as a Federal work force.

That said, I do not mind if an airport wants to pick a private screener to run its contract. Remember that that private screening work force has to work to TSA's standards. It has to be trained to our standards. They train at the same academy that the Federal work force does.

I think the pressures stay the same on the system, so we are still going to be asking questions about whether the staffing model is right and looking at finding a more efficient way to move people through, trying to redesign the fundamental look of a checkpoint so you can move people through more efficiently through it.

There are some real promises on that score out there, and I have looked at some models that I think can fundamentally change how the experience is for people moving through.

Senator SHAHEEN. Well, thank you. Just to be clear, I am not sure it is a good idea, but I wanted to get your response to it. Thank you.

FEDERAL FLIGHT DECK OFFICER PROGRAM

Senator CASSIDY. The Federal Flight Deck Officer program, the last line of defense and security, can you elaborate on the value of that program and what hard data you have beyond the kind of knowledge among some that it might be there? Again, that sort of randomness we spoke of. Do you have any hard data as to its effectiveness?

Mr. NEFFENGER. We will get you the data. I do not have the numbers right in my head.

As you understand or as you know, that program arms a certain number of commercial airline pilots. TSA trains them. We provide

them with their weapons. It is done under the authorization act that was passed by Congress.

It really could be a last line of defense. It is adjunct to programs like the Federal Air Marshal program and other security programs that we have.

I would put it in a category of a program that provides some additional capability. It is a capability that it is good to know it is in the cockpit, and it is one that we hope we never have to use, but it is one that is strongly supported by the pilots who do that.

Senator CASSIDY. Strongly supported by the pilots but I have to guess that it is a small percentage of the pilots who participate.

Now I guess this goes back to my earlier questions about seeing all of these things which seem almost atoms, and yet somehow the atoms in the collective are supposed to function together as a whole piece to stop an event.

Funding has been static, is my understanding, so if it is a good program, it seems it should grow. If it is a program with no proven benefit, except people kind of like it, that would be important to know. If we have budgetary constraints, you have to ideally have some sort of outcome status to show that we need to defend this funding, we need to grow that funding, or maybe it could atrophy here.

Any thoughts on that?

Mr. NEFFENGER. I think you make a key point and that is that you have measures, and you have to be able to determine whether those measures tell you that you are doing things the right way. I tell my staff every day, you have to question everything that you do every day and determine if it is the right application of the limited resources that you have.

I will tell you that there is strong support both within the community that carries those weapons as well as within the TSA for that.

But I am asking to look at all the measures across the agency, particularly in the face of a potential to have to find additional areas for savings within the budget.

I do think it provides an important backstop service. I owe you an array of the measures that we used to determine that, and that would include the numbers that are not for public consumption, but the numbers of people in the program and how they are deployed.

Senator CASSIDY. By the way, for the record, I would totally agree that it would be a great backstop, if it achieves a certain critical participation. At a smaller participation, it is merely a footnote.

Mr. NEFFENGER. Yes, I think we could give you a better understanding of it if we could give you the numbers that are in the program and how they are distributed, how what they do is tied into the strategy for the Federal Air Marshal Service (FAMS), as well as the deployment of those forces throughout the system, what their travel schedules look like and what their deployment schedules look like, how we use that as a combination of how we deploy our Federal air marshal resources, so that you reduce the redundancy and increase coverage across the system.

Senator CASSIDY. Yes, that would be good. I appreciate that.

I yield back.

SCREENING TECHNOLOGY

Senator HOEVEN [presiding]. Mr. Administrator, the first question I have relates to technology. Are you getting the technology that meets your needs? And also, the qualified products list, are you setting that list up so that your requirements are clear and understandable, so those the vendors can deliver the technology you need?

Mr. NEFFENDER. Let me answer that in a couple ways.

I think that we have the best technology available now to detect nonmetallics and metallics for what we have. I think there is work that we can do to improve the participation of the private sector, as well as to improve the capabilities of this equipment going forward. No surprise, all pieces of equipment have technology limitations.

I mentioned before that you have to evolve at the rate at which a threat evolves. My concern would be that if you do not continue to evolve this technology, and you do not find robust participation from the private sector, we may not have the technology we need in the future to detect the things that we think are the threats to the system.

The qualified products list, I have asked to take a hard look at that. When I had the Defense Acquisition University come in, I had them look at not only how we are developing our requirements, understanding capabilities, developing the test procedures that we need to determine whether what we think we need is what we got, and whether what we got does what we need it to do, but also whether the qualified products list, the process for getting a system onto the qualified products list, is adequate, understood, and transparent.

So those are all things that we are looking at right now. And as I mentioned to Senator Shaheen, I think we owe a deeper report to the committee on that, which I have coming your way once we get through the initial understanding of what the Defense Acquisition University provided us.

Senator HOEVEN. Right, and I think that is important. Some of the vendors feel that it is unclear as to what they need to do and how they get on that list, and also in terms of what your needs are, so that we can maximize their potential for meeting your needs in your technology development efforts.

How are you coming at developing metrics for measuring performance?

Mr. NEFFENDER. We have completely reworked the way we measure. There are really two forms of measurements. I need to know, do we have a readiness to perform, meaning whether we are looking at the work force or technology, does it meet the standards? Is it designed to the standards? Are people trained to the standards you need them to be trained to do the things they need to do, whether it is to detect something or perform in a certain way?

Then there is a performance standard, because once you are assured—take technology, for example. Once you know that you have the requirements right, it needs to be able to detect certain types of things in certain types of fashion in certain locations on the body

and in baggage and so forth. Then you have to test whether it performs to that standard.

So there is a readiness measure, and there is a performance measure. I have a dashboard now that I look at on a regular basis. It says, what is my work force readiness? Are they trained to do the things they need to do? And then what is their performance? Did they do the things the way they were trained to do in the right manner?

What that tells you is a couple things. One, it gives you a very specific answer with respect to any individual person or piece of equipment. It gives you aggregate answer with respect to the system performance. But it also tells you where you might need to adjust or change your requirements or your training.

So we have been looking across-the-board at metrics. There is actually quite a bit behind each of those measurements. There are about 100 measurements rolled up into readiness and performance.

I am happy to provide details to the committee and the staff to see how we are doing that. But I think you would be impressed with the measures that we have come up with as well as what it tells us about where we need to go.

Much of what we did to address the challenges raised by the Inspector General report are directly related to these measures. We developed these measures because we found that we were lacking in some of the metrics we needed to determine work force performance and technology performance, integration of that technology with the human factor.

You mentioned people, processes, and technology. Those were essentially individual stovepipes that you have to tie together, and you do that through your measures to see how the people, process, and technology work when you put it all together in the system itself.

NATIONAL EXPLOSIVES DETECTION CANINE TEAM PROGRAM

Senator HOEVEN. Canine teams, are you where you need to be on canine teams?

Mr. NEFFENGER. I like canine teams.

Senator HOEVEN. I do, too. I think they are very effective.

Mr. NEFFENGER. They really are. In fact, it is probably one of the most effective elements in the whole security system for lots of reasons. They are very good at what they do. There is a huge deterrence factor.

So here is what we are doing. TSA is currently funded for 322 teams, of which about 140 are currently trained as passenger screening canines. The remainder are cargo.

We are in the process of converting all of those teams to dual teams, so they can do both cargo and passengers. The difference is for cargo, they go up and sniff some specific item. The passenger canines are designed to detect the trace elements and then trace it back to a source, so it takes training to get a dog to do that.

By the end of this year, we should have about 240 of those teams trained as passenger screening dogs. I think we could use my dogs. As part of that analysis we are doing on staffing needs, I have asked to take a hard look on what is the requirement that we could

put to use for canine teams. I think we could use more than we currently have.

They do a tremendous job of helping us move people efficiently through the system. As I said, they are one of the most effective resources out there.

In fact, I will be going down later this week to dedicate the new canine training facility that was funded in previous year budgets down at Lackland Air Force Base. So I think it is a good model going forward, and I will come to you with a number in the next few months to give you a specific on what we could actually put to use.

You know, there is a long lead time to train these things, but like I said, we have these 322 teams now, which is very useful.

Senator HOEVEN. If you would let my office know when you were going down to see the canine training facility, because if it works out schedule-wise, I may be interested in going.

Mr. NEFFENGER. Excellent. We would love to have you come along.

Senator HOEVEN. Maybe the ranking member as well.

Mr. NEFFENGER. Okay, excellent.

Senator HOEVEN. Now, I have a couple more questions, but I am going to turn to Senator Shaheen to see if you have more questions.

RAP BACK

Senator SHAHEEN. I do. Obviously, one of the things that we saw with the downing of the Russian Metrojet was that it was an insider attack. I know that TSA is piloting a program called Rap Back that would provide real-time criminal history monitoring of our work force.

So can you talk a little bit about how that works and give us an update on what you are seeing and whether you envision expanding that beyond Dallas-Fort Worth and Boston Logan?

Mr. NEFFENGER. The Rap Back program, we are very excited about. As you know, that is a Federal Bureau of Investigation (FBI) program that provides current, real-time vetting against the FBI criminal databases. So, for example, if you get arrested, it should pop your name immediately, just like we do real-time, current vetting against the terrorist databases.

As you note, we are going to start the pilot the first April in Dallas and Boston. That will run for a couple months. Assuming that goes well—and the nature of the pilot is to just ensure that we can move the data back and forth in the manner we need to, that it is done securely, that we meet the cybersecurity standards, so we are not exposing those databases to cyberthreat.

Assuming all goes well, then we will go full time with the program across the whole system immediately following that. So we hope to go full time by the end of this fiscal year across the whole system.

Senator SHAHEEN. So are there additional resources that are needed, once it goes full time?

Mr. NEFFENGER. The request that we have here, I believe it is about \$1.5 million is the reimbursement request that we have with the FBI. I will make sure I have that number right. But our re-

quest would cover the costs of reimbursing the FBI for that service. Then we will continue to build that into our out-year budgets. But the fiscal year 2017 request assumes an entire year of the entire system operating with the Rap Back program.

Senator SHAHEEN. That is great. Thank you.

FAA PRIVATIZATION

I want to ask about an issue that is not necessarily related to your budget. It is something that we discussed when you were in my office, but it is something that I think is of real interest and concern to the traveling public.

Legislation has been introduced that would privatize the Federal Aviation Administration (FAA). I just wonder if you could speak to any concerns that that might raise for you as someone who has been involved in TSA now for a period of time, whether you think that is a good thing for us to be considering or not?

Mr. NEFFENGER. Well, from the TSA's perspective, as you know, we do not have any direct interaction with the air traffic control system. I think this is what you are referring to.

Senator SHAHEEN. Right.

Mr. NEFFENGER. The privatization of the air traffic controllers. I think my general thought is this, that when you look at certain types of concerns that the Nation has, security and safety, and security and safety of systems like aviation and others, I think there is a strong Federal interest in governing that. That is why even in our case where you have privatized screeners, we still have Federal security directors and Federal oversight and Federal setting of the standards. I think that is because there is a compelling interest on the part of the Nation that that be done consistently and coordinated.

What I would say is that any change to the current system needs to consider what I think is a very real need for the Federal Government to have oversight of safety and security of its citizenry and of its systems.

Senator SHAHEEN. Thank you.

Thank you, Mr. Chairman.

FEDERAL AIR MARSHAL SERVICE

Senator HOEVEN. The first question relates to Federal air marshals. It looks like you have ramped up funding for air marshals. I am just wondering where you are in terms of where you want to be relative to FAMS.

Mr. NEFFENGER. Director Allison just completed a Federal air marshals strategy, which includes a staffing standard. That is the first time we have had one for the air marshals. This budget would hire to that strategy. That is the strategy that is making its way through review right now and will be on your desk shortly.

What we are really doing is hiring to the attrition that we have seen. As you know, this is the first time we have been able to hire since 2011, I believe. The average age of the air marshal population right now is 43. We will age out about close to 30 percent of that work force in the next 5 years.

Senator HOEVEN. What is the mandatory retirement, 57?

Mr. NEFFENGER. I think it is 57. Yes, sir.

So that work force will reach mandatory retirement, close to 30 percent of that work force, in the next 5 years.

There is no law enforcement agency that can sustain itself without having an influx of new people. So we appreciate the opportunity to hire into what we see as the attrition that we are experiencing now, while we work with you to gain agreement on what we believe to be the right number of air marshals going forward.

Senator HOEVEN. How does that coordinate with the Federal Flight Deck Officer program armed pilots? It seems to me that those are two aspects of security that would kind of go together, making sure you have armed pilots in the cockpit.

Mr. NEFFENGER. They do. As I mentioned to Senator Cassidy earlier, they are complementary systems and reinforcing systems, in a sense. What you want to do is get that distributed in a way that gives you maximum coverage on the routes and the aircraft of greatest concern.

INSIDER THREATS

Senator HOEVEN. Insider threats, meaning people who work at the airport, what are you doing to make sure that, on an ongoing basis, you have sufficient security?

Mr. NEFFENGER. As you know, when you have a population that is trusted—so these are badged people who have access to secure and sterile areas of the airport—you need some means of verifying that trust is acceptable. We have done a number of things in this past year, and we are doing some things right now, particularly in the wake of the recent incidents in Sharm el-Sheikh as well as Mogadishu, to take a hard look at the way in which we secure or verify the trust of our insider population.

So I have ordered across the entire system and all airports that require airport security plans to do a detailed threat assessment and risk and vulnerability assessment, particularly focusing on the insider threat environment. That has to be completed across the system by the end of this month.

When we get those results in, and they are trickling in now, when we get those results in, it will give us a true airport-by-airport picture of what the environment looks like, so: How many employees hold badges? Who are the employers of those employees? What kind of access do they have? And what measures are already in place to create an expectation of inspection and screening?

I also want to know what airports themselves are doing to screen and vet these populations.

So one aspect is what is actually physically happening on the ground. We have heard lots of different anecdotes about what is happening airport-to-airport, but I want to get a true picture across the system, and then to look for the best practices that could be ported across the system.

The second piece is—

Senator HOEVEN. That is to be in place by when?

Mr. NEFFENGER. I will get the results of that by the end of this month, and then we will evaluate those results and begin to determine the best practices we want to put into the system. And then the goal is to get this put into the airport security plans in the future, those practices that fundamentally create an expectation at

any given time during any given day, if you are an employee with a badge, that you could find yourself subject to inspection or examination while on the airport property.

CREDENTIALING PROGRAMS

Senator HOEVEN. Kind of two sides of the coin, but we hear concerns from truck drivers and others about credentialing. For example, a truck driver might need a hazmat endorsement but also a TWIC card, and cannot get them both done, all of these various credentials from TSA. So are you working to consolidate them, so somebody can go through and get the credentialing they need, kind of a one-stop shop?

And then also your equipment connectivity, because it seems to me maybe two kind of go together. We talked about people, technology, processes. Where are you in terms of making sure you have connectivity throughout your system, as far as your technology?

Mr. NEFFENGER. Okay, with respect to the first, we are looking at the one-stop shop for TWIC cards. I know it has been a challenge in the past. I think we have addressed a lot of those challenges. There are some unique concerns with respect to hazardous material endorsements, and some of that is owned by some other entities, but we have been tying that together. I need to come back to you with where we are on that specifically.

With respect to tying the technology together, I think you are talking about the checkpoint technology and integrating it and connecting it in an integrated way. Part of the challenge we have there is that a lot of these systems are running old operating systems. Some are on unsupported, old Microsoft Windows XP, for example. We do not currently have Web-connected systems. I would like to have Web-connected systems or interconnected systems so I can monitor the health of the system as a whole.

Right now, I have to monitor equipment-by-equipment individually. That, in my mind, poses its own security risks. But it also makes it challenging to see how equipment is operating across the system.

So what I have asked my staff to do is to first of all determine what it would take—again, this goes back to some of your questions earlier, Senator Shaheen. This has to do with open architecture that is easier to update and easier to make cyber-healthy, if you will, and cyber-secure.

So I am right now just trying to get an accounting of what the current state of the system is across all of the systems, how many individual pieces of equipment do we have that operate on different types of operating systems? And what would it take to secure those operating systems? Can they be upgraded to cyber-compliant operating systems, or do we have to do something new entirely?

I will tell you, it is a big problem. And it is a big challenge, I will put it that way. And I think it will be a costly fix to go forward, which is why as we put new equipment on board, I want to build that piece in on the very front end. It is a very clear requirement going forward.

But right now, we do not have an ability to look across the entire system in a way that I think would be most effective.

Senator HOEVEN. A realistic timeline for getting to something like that?

Mr. NEFFENGER. Well, I think over the course of the coming months, we can get an accounting of what the challenges are. Then it is really a funding issue at that point. I think there is significant cost associated with doing those kinds of upgrades, and then we have to weigh the costs of upgrading existing equipment against whether it makes sounder business sense to just move forward into a new generation of equipment.

So I cannot give you a specific answer on that piece, but I can tell you that we will have an accounting of where we stand in the system in the very near term.

Senator HOEVEN. Okay.

Senator Shaheen, any other questions?

All right, with that, we will conclude our hearing for today.

Any other comments, Administrator Neffenger, that you have before we wrap up?

Mr. NEFFENGER. Again, just thanks to the committee for the tremendous support you have given us over the past few months. I appreciate that.

My pledge to you is to remain open to your concerns and your questions and to be as transparent as I can be with respect to what we find. I have a number of reports that will continue to find their way to you, and I intend to continue the kind of report that I sent you earlier on a quarterly basis that just says where we are going and what I see as the challenges.

I appreciate your willingness to work with us on that.

Senator HOEVEN. I appreciate the work and the commitment of you and your entire staff on a very important mission.

The hearing record will remain open for 2 weeks from today. Senators may submit written questions for the record. We ask the Department to respond to them within a reasonable length of time.

[No questions for the record were submitted to the Department for this hearing.]

SUBCOMMITTEE RECESS

Senator HOEVEN. With that, the subcommittee stands in recess.

[Whereupon, at 3:58 p.m., Tuesday, March 1, the subcommittee was recessed, to reconvene at a time subject to the call of the Chair.]